

PG&E Corporation

Market CEO Transition Awards

August 6, 2019



Background

Willis Towers Watson (“WTW”) and Weil Gotshal & Manges LLP (“Weil”) have been engaged by Pacific Gas and Electric Corporation (“PG&E”) to advise on potential restructuring incentive compensation strategies. Specifically, PG&E has engaged WTW to advise on potential pay strategies, provide relevant market data, and develop compensation design considerations. To that end, WTW was asked to collect market examples of recruited CEO transition awards

Market Examples of CEO Transition Awards:

- WTW’s research team identified 30 examples of recruited CEO transition awards over a 4.5 year period at 28 companies (Ralph Lauren and Mattel each had two instances)
- We collected data on “sign on” and replacement/buy out” awards for our analysis as disclosed in proxy statements or 8K filings
- Median FY2018 revenue of the 28 companies was \$4.0 billion
- Disclosed market pay data was collected on the estimated value of awards, form/type of awards (cash, stock options, restricted stock/units and performance shares/units)
- The aggregate value of the awards was calculated to arrive at a total transition award value
- Additionally, we calculated the prevalence of each type of award at the 30 companies. Note that companies ranged from using only one type of award to using 4 types of awards

CEO Transition Awards (continued on next page)

30 Examples – 28 companies

Company	Form of Award	Shares/ Options/ Units Awarded	Award Value	Award Value as a Percent of Salary	Vesting Terms	Total Award Value as Percent of Salary
The Andersons, Inc.	Restricted shares	28,249	\$ 1,001,710	111%	3-year ratable	486%
	Stock options	325,000	\$ 3,370,250	374%	3-year ratable	
Arconic Inc.	Stock options	363,970	\$ 3,858,957	309%	4-year cliff	601%
	RSUs	99,280	\$ 3,000,242	240%	3-year cliff	
	Cash	-	\$ 650,000	52%	1-year cliff	
Ashland Global Holdings Inc.	Restricted shares	50,000	\$ 5,953,500	527%	2-year ratable	527%
Barnes & Noble, Inc.	RSUs	368,098	\$ 5,999,997	500%	3-year ratable	550%
	Cash	-	\$ 600,000	50%	-	
The Brink's Company	Stock options	400,000	\$ 2,366,667	256%	Contingent	540%
	RSUs	91,770	\$ 2,631,964	285%	Contingent	
Caesars Entertainment Corporation	Stock options	1,000,000	\$ 5,012,000	278%	See note	406%
	RSUs	200,000	\$ 2,302,000	128%	4-year ratable	
Cerner Corporation	Stock options	182,006	\$ 4,000,014	500%	5-year graded	963%
	RSUs	60,438	\$ 3,700,014	463%	3-year ratable	
Cheniere Energy, Inc.	Restricted shares	236,381	\$ 8,214,240	657%	3-year graded	657%
Chipotle Mexican Grill, Inc.	Premium priced SARs	53,086	\$ 4,011,709	334%	3-year ratable	2032%
	Premium priced SARs	114,840	\$ 9,721,206	810%	3-year ratable	
	RSUs	30,141	\$ 9,649,943	804%	3-year ratable	
	Cash	-	\$ 1,000,000	83%	1-year cliff	
Colfax Corporation	RSUs	94,841	\$ 3,750,013	375%	3-year ratable	675%
	Cash	-	\$ 3,000,000	300%	3-year ratable	
DENTSPLY SIRONA Inc.	RSUs	74,508	\$ 4,200,016	454%	3-year graded	631%
	Stock options	40,800	\$ 608,312	66%	3-year cliff	
	PRSUs	8,870	\$ 525,051	57%	3-year performance	
	Cash	-	\$ 500,000	54%	1-year cliff	
Dover Corporation	RSUs	164,603	\$ 13,127,089	1094%	5-year ratable	1682%
	Performance shares	75,971	\$ 6,058,687	505%	3-year performance	
	Cash	-	\$ 1,000,000	83%	2-year ratable	
Equifax Inc.	Performance shares	44,461	\$ 6,014,101	401%	3-year performance	700%
	RSUs	22,230	\$ 2,499,986	167%	3-year cliff	
	Stock options	88,919	\$ 1,983,966	132%	3-year ratable	
Flowserve Corporation	Stock options	114,943	\$ 2,000,000	182%	3-year cliff	
General Cable Corporation	Stock options	352,087	\$ 1,999,995	216%	3-year ratable	270%
	Cash	-	\$ 500,000	54%	--	
H&R Block, Inc.	Stock options	273,905	\$ 1,375,003	138%	3-year ratable	648%
	RSUs	138,749	\$ 4,125,008	415%	3-year ratable	
	Cash	-	\$ 950,000	95%	4-month cliff	

Prevalence of Award Vehicle				Award Mix by Vehicle & Total Award Value				
Cash	Restricted Shares / Units	Stock Options	Perf Shares / Units	Cash	Restrict ed Shares / Units	Stock Options	Perf Shares / Units	Total Est. Award Value
	1	1			23%	77%		\$ 4,371,960
1	1	1		9%	40%	51%		\$ 7,509,199
	1				100%			\$ 5,953,500
1	1			9%	91%			\$ 6,599,997
	1	1			53%	47%		\$ 4,998,631
	1	1			31%	69%		\$ 7,314,000
	1	1			48%	52%		\$ 7,700,028
	1				100%			\$ 8,214,240
1	1	1		4%	40%	56%		\$ 24,382,858
1	1			44%	56%			\$ 6,750,013
1	1	1	1	9%	72%	10%	9%	\$ 5,833,379
1	1		1	5%	65%		30%	\$ 20,185,777
	1	1	1		24%	19%	57%	\$ 10,498,053
		1				100%		\$ 2,000,000
1		1		20%		80%		\$ 2,499,995
1	1	1		15%	64%	21%		\$ 6,450,011

CEO Transition Awards (Cont'd)

30 Examples – 28 companies

Company	Form of Award	Shares/ Options/ Units Awarded	Award Value	Award Value as a Percent of Salary	Vesting Terms	Total Award Value as Percent of Salary
Mattel, Inc.	RSUs	194,072	\$ 4,312,280	287%	3-year graded	1446%
	Stock options	1,603,499	\$ 5,034,987	336%	3-year graded	
	RSUs	494,001	\$ 12,350,025	823%	12-month ratable	
Mattel, Inc.	Performance stock options	1,068,376	\$ 4,444,444	296%	3-year performance	296%
Nielsen Holdings plc	RSUs	487,505	\$ 13,742,766	1057%	3-year ratable	1710%
	Performance stock options	367,031	\$ 1,466,901	113%	3-year performance	
	RSUs	54,285	\$ 1,400,010	108%	3-year cliff	
	Premium priced stock options	750,000	\$ 1,620,000	125%	3-year ratable	
	Cash	-	\$ 2,500,000	192%	ND	
	Cash	-	\$ 1,500,000	115%	1-year cliff	
Perrigo Company plc	Stock options	110,074	\$ 2,500,001	208%	3-year cliff	288%
	Cash	-	\$ 950,000	79%	-	
Pinnacle Foods Inc.	Restricted shares	95,057	\$ 3,999,999	421%	2-year cliff	959%
	Stock options	222,965	\$ 1,999,996	211%	3-year cliff	
	PRsUs	47,528	\$ 2,106,441	222%	3-year performance	
	Cash	-	\$ 1,000,000	105%	-	
Platform Specialty Products Corporation	RSUs	250,000	\$ 2,962,500	296%	3-year cliff	587%
	PRsUs	250,000	\$ 2,909,997	291%	3-year performance	
Ralph Lauren Corporation	Performance share units	13,886	\$ 1,481,006	118%	4-year performance	689%
	PRsUs	13,887	\$ 1,507,746	121%	1-year performance w/ 2 year ratable vesting	
	RSUs	26,660	\$ 2,868,979	230%	4-year ratable	
	Cash	-	\$ 2,750,000	220%	1-year cliff	
Ralph Lauren Corporation	APRSUs	45,198	\$ 3,188,856	255%	1-year performance w/ 2 year ratable vesting	946%
	Performance shares	43,333	\$ 2,975,114	238%	3-year performance	
	RSUs	34,913	\$ 2,270,179	182%	5-year cliff	
	Cash	-	\$ 3,384,888	271%	1-year cliff	
Realogy Holdings Corp.	RSUs	76,220	\$ 2,500,016	250%	3-year ratable	500%
	Stock options	261,234	\$ 2,500,009	250%	4-year ratable	
Scientific Games Corporation	PRsUs	400,000	\$ 3,660,000	203%	3-year performance	203%
Signet Jewelers Limited	Restricted shares	81,900	\$ 5,027,841	335%	2-year ratable	335%
Tiffany & Co.	RSUs	12,846	\$ 1,400,086	104%	3-year ratable	561%
	Stock options	169,092	\$ 3,372,608	250%	3-year ratable	
	Cash	-	\$ 2,800,000	207%	2-ratable cliff	
Visteon Corporation	RSUs	36,103	\$ 4,353,250	435%	3-year cliff	760%
	Cash	-	\$ 3,250,000	325%	2-year ratable	
Xerox Corporation	Restricted shares	350,755	\$ 10,000,025	833%	1-year cliff	958%
	Cash	-	\$ 1,500,000	125%	-	

	Prevelence of Award Vehicle				Award Mix by Vehicle & Total Award Value				
	Cash	Restricted Shares / Units	Stock Options	Perf Shares / Units	Cash	Restrictied Shares / Units	Stock Options	Perf Shares / Units	Total Est. Award Value
		1	1			77%	23%		\$ 21,697,292
				1				100%	\$ 4,444,444
	1	1	1	1	18%	68%	7%	7%	\$ 22,229,677
	1		1		28%		72%		\$ 3,450,001
	1	1	1	1	11%	44%	22%	23%	\$ 9,106,436
		1		1		50%		50%	\$ 5,872,497
	1	1		1	32%	33%		35%	\$ 8,607,731
	1	1		1	29%	19%		52%	\$ 11,819,037
		1	1			50%	50%		\$ 5,000,025
				1				100%	\$ 3,660,000
		1				100%			\$ 5,027,841
	1	1	1		37%	18%	45%		\$ 7,572,694
	1	1			43%	57%			\$ 7,603,250
	1	1			13%	87%			\$ 11,500,025
Prev: # Cos: Total Cos:	53.3% 16 30	83.3% 25	56.7% 17	33.3% 10					Average \$ 8,628,420 P50 \$ 7,032,007 P25 \$ 5,006,979 P10 \$ 3,639,000